

# Exhibit 3

“The Business of Fighting:  
A Look Inside the UFC’s Top-Secret  
Fighter Contract”

# The Business of Fighting: A Look Inside the UFC's Top-Secret Fighter Contract

[Jonathan Snowden](#) May 14, 2013



UFC President Dana White (pictured) and two other senior UFC officials spoke to B/R about the company's contract policies. Josh Hedges/Zuffa LLC/Getty Images

Boxer Floyd Mayweather [earned \\$32 million](#) for a single night's work against Robert Guerrero earlier this month. New England Patriots quarterback Tom Brady will [make up to \\$57 million](#) in mostly guaranteed money to lead his team for the next five seasons. Los Angeles Angels first baseman Albert Pujols will [bring home a cool \\$16 million](#) this year as part of a 10-year contract that will pay him [\\$240 million](#) before it's all said and done.

None of this, of course, is breaking news. We know these things because discussion of finances and money is part of the sports landscape in 2013—and has been for years. Generally widely reported, free-agent signings, individual players' contracts and the salary cap have become part of the discourse for fans of almost every sport.

Except the UFC.

While the [MMA](#) promotion of record has generated [more overall pay-per-view buys](#) than boxing since hitting its stride in 2009, fighter salaries are kept under lock and key. It's rumored that they don't begin to approach mainstream sports money, but information is scarce. When facts do trickle out in the press, it can be revealing. Georges St-Pierre, the UFC welterweight champion, for example, told the Canadian press in 2011 that he makes a comparatively modest [\\$4-5 million per fight](#).

"People want to compare us to other sports, and in some sense that's fair to do," UFC owner Lorenzo Fertitta said. He sat down with two key members of his team, president [Dana White](#) and general counsel Lawrence Epstein, to discuss the inner workings of the UFC's fighter contract with Bleacher Report.

"There are a number of things that are unique to our business," Fertitta continued. "First and foremost, we absorb 100 percent of all production and marketing costs associated with the event. The NFL gets a license fee from Fox. Even boxing gets a licensing fee from HBO. Those media entities then roll in and operate the entire production. They do all of the marketing. So those expenses are not borne upon the actual league or entity. In our case, we televise the entire card. There's over a thousand people who get paychecks when we do these events. It's a massive, massive undertaking.

"In addition to that, we're building a sport. We've had to open up offices in various countries around the world, work to get laws passed in states all over the U.S. and Canada. When you actually take into account those costs that we bear, and other leagues don't, we actually compare very

favorably on an apples-for-apples basis."

Randy Couture, one of the sport's true legends and a UFC Hall of Famer, was loath to complain about a career that has made him a millionaire. He understands the efforts and expense it took to build this sport from the ground up. But he couldn't help but wonder about the discrepancy between mainstream sports money and what he and other top UFC stars are paid.

"It's hard for me to sit here and bitch and complain about the pay I got when I made more money competing in mixed martial arts than I ever made doing anything else," Couture told Bleacher Report in an exclusive interview. "Does it irk me that Floyd Mayweather can fight one time and make \$40 million? Well, that's more than I made in my career. Yeah, that bothers me."

White says things have changed dramatically since Couture was in his prime as a UFC champion.

"When Randy Couture says that's more than he made in his entire career, Randy Couture's career was in the dark ages," White said. "He was on the first season of *The Ultimate Fighter* when that thing first started to take off. The money that's in this sport now, compared to when Randy Couture was here, is night and day."

How much UFC fighters are actually paid is a carefully guarded secret. Although some state athletic commissions are required by law to report a fighter's base pay, most fighters are also paid a variety of bonuses that are not included in that mandatory reporting. Backroom, performance and even pay-per-view bonuses are routinely handed out, but until recently, most reporters and fans didn't know much about that process.

"We don't give out numbers," White told Bleacher Report. "We don't say how much fighters get paid or what the company is making. It's something that we don't do and it drives people crazy."

Enter Eddie Alvarez, a lightweight fighter who is one of the very best in his weight class outside the UFC. He's looking to join the promotion and challenge Benson Henderson and the other top UFC stars, but he's mired in a contract dispute with Bellator, a competing promotion on Spike TV.

The battle has been tough on him, emotionally and financially. Alvarez has even [discussed](#) the negotiations publicly through social media. Alvarez's troubles, however, have proven to be a real boon for MMA journalists and historians. For years, the UFC's standard contract has been a mystery, a matter of speculation, but not available for the record. Thanks to [Alvarez's legal struggles](#), it has become a public document, an exhibit in Bellator's case to re-sign the fighter to a "matching contract."

More important, for our purposes, is that Bleacher Report's Jeremy Botter acquired a copy of [Alvarez's contract](#) with the UFC's parent company Zuffa, part of a collection of court documents now available to the public, journalists and legal minds all over the world—some of whom are not impressed.

"When you look at who gets the money, at the end of the day, it's disproportionately Zuffa and disproportionately not the fighter," Northwestern University labor law [professor Zev Eigen](#) told Bleacher Report, calling the UFC contract the worst he's seen in the sports or entertainment fields. "None of these fighters are represented by a professional association or a union. There's nothing that sets a minimum or basic standard below which the company can't go. It makes sense—in any relationship like this you would expect the contract to favor the more powerful actor.

"That should be intuitive and it's universal. If you're contracting with Apple, you shouldn't be surprised that Apple takes as many rights as possible. If you use iTunes in anyway they don't like, hell, fire will rain down on you. That's what you can expect anytime you're contracting with an entity more powerful than you are. So too with the UFC."

In boxing, those minimum standards are set by law, part of the [Muhammad Ali Boxing Reform Act](#) that is helping clean up a notoriously corrupt sport. In other individual sports, like tennis, players are [protected by a professional association](#). In mixed martial arts, however, there are no protections at all. Fighters are left to their own devices to negotiate shark-filled waters.

"The UFC has coagulated all this genius at law. And they've done nothing but prosper from it," Juanito Ibarra, [former manager of UFC star Quinton "Rampage" Jackson](#) among others, told Bleacher Report. "They've left managers and trainers, and most importantly, fighters out in the cold. They don't have a voice."

Ibarra is quick to point out that UFC isn't the only company that preys on fighters, usually young guys he says have never had a dime to their name and are happy just to be on television making a little bit of money.

"It's with all the promoters," Ibarra said. "The promoters, all they do is copy each other's contracts. They hire a lawyer, and he tweaks it, but it's all copy and paste."

As a private company, the UFC doesn't have to report its revenues, cash flow or profit margins to anyone. According to [a recent profile in Fast Company](#), the promotion makes in the neighborhood of \$600 million per year, though Fertitta says that number is overstated. The UFC is worth north of \$2 billion, making it a more valuable property than even the legendary New York Yankees, Major League Baseball's perpetual cash machine.

Yet despite this success, [Fertitta told ESPN](#) that in the seven years since the company started regularly turning a profit, they have paid out just \$250 million total to the athletes, a far cry from the 47 percent of total revenue the [NFL's players split](#).

Instead, according to Ibarra, the UFC pays fighters just enough to quell discontent. The promotion often sends fighters high-ticket gifts in lieu

of guaranteed money or significant revenue sharing.

"You buy a guy [a car](#) and it's going to keep his mouth shut," Ibarra said. "They try to run their lives. And they give them a diamond watch worth a hundred grand. Then they put them on a TV show and take their rights away."

Fertitta disagrees.

"We've created, literally, nearly 70 millionaires since we took this thing over," he said. "And some of them multimillionaires."

Couture, who has battled the UFC under two different ownership groups, is one of those multimillionaires. Still, he believes fighters may be getting less than they deserve.

"The biggest issue is between what the promoter's making from all the pay-per-views and everything else versus how much all the fighters who fought in that single year made. That number maybe needs to shift a little bit," Couture admitted.

"It's such a fine line. The promoter feels like he's entitled. He's spent money, done a ton of things to market the sport and create a vehicle that's good for the fighter. But at the same time, it's the fighter who walks up in that cage. Does the training and puts it on the line and is sweating and bleeding. One doesn't work without the other. So some kind of more equitable arrangement makes sense."

Bleacher Report has come up with the key points you should know about the contract every fighter has to sign to gain entry to the UFC. Adding expertise and nuance to the discussion are Eigen and Ibarra, who went over the contract with us term by term to share their thoughts.

Fertitta, White and Epstein also lent their perspective.

"Ask any questions you want," White told B/R. "We'll sit and walk you through everything."

And so we did. Click through for a sneak peak inside the UFC contract.

## Article I: Grant of Promotional Rights



Left to right: Lorenzo Fertitta, Junior dos Santos, Dana White, Frank Fertitta Jason Merritt/Getty Images

## ARTICLE I GRANT OF PROMOTIONAL RIGHTS

1. The Fighter hereby grants to ZUFFA the exclusive unrestricted worldwide right to secure, promote, arrange and present any and all mixed martial arts contests (individually, a "**Bout**" and collectively, the "**Bouts**") to be engaged in by Fighter during the Term (as defined herein) and any Extension Term (as defined herein), including all rights to stage each Bout and to sell tickets of admission thereto (the "**Promotional Rights**") and to exploit the Ancillary Rights (as defined herein) to each Bout in all media, now known or hereafter devised throughout the world in perpetuity.

## ARTICLE II GRANT OF ANCILLARY RIGHTS

2. Fighter hereby grants to ZUFFA the exclusive worldwide right to use, display, disseminate, edit, reproduce, print, publish and make any other use of the name, sobriquet, image, likeness, voice, persona, signature, and biographical material of Fighter and all persons associated with **Fighter** (collectively, the "**Identity**"), in any medium in connection with advertising, marketing, exploiting and promoting the UFC brand and each Bout and the exploitation of all rights pertaining thereto as provided herein and all rights to each Bout electronic and other (the "**Ancillary Rights**" and, collectively with the Promotional Rights, the "**Rights**").

Remember Hulk Hogan, Kevin Nash and Scott Hall? The three pro wrestling stars joined together to form the New World Order, famously declaring that when you were NWO, you were NWO "for life."

Well, the UFC does them one better. When you sign a deal with the UFC and its parent company Zuffa, they control rights to your "name, sobriquet, image, likeness, voice, persona, signature, and biographical material of Fighter and all persons associated with Fighter (collectively, the "Identity")."

These rights belong to the UFC in perpetuity, meaning forever. The contract explicitly states that even death can't get you out of this deal.

### Juanito Ibarra

You can have the ancillaries the time that he fights, not after. If you want him after the contract expires, pay him in perpetuity. Pay him for the rest of his life. Ten or 20 percent of what you make.

### Lorenzo Fertitta

You're not going to put an event on television and, five years down the road, not have the rights to show that somewhere. You have to have those rights. It's no different than a movie or anything else.

**Lawrence Epstein**

We're trying to capture the rights that can emanate from the fighter's participation in our event. The video that we capture of the pre-event, the post-event, the event itself—we want to be able to exploit that in any way we possibly can. At the end of the day, that's the only real asset that the UFC has.

## Article II: Grant of Ancillary Rights

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Rampage Jackson in UFC 2009: Undisputed via THQ

### 2.3 The Rights include the following:

- a. The right to receive and retain all site fees, live-gate ticket and other revenues, subscription revenues, advertising fees, sponsorship fees, and the like.
- b. All media, including, but not limited to, motion picture, radio, television (which term whenever referred to herein shall include, without limitation, live or delayed, interactive, home or theater, over-the-air broadcast, pay, pay-per-view, satellite, closed circuit, cable, subscription, Video On Demand, Near Video On Demand, Subscription Video On Demand, multi-point, master antenna, or other), telephone, wireless, computer, CD-ROM, DVD, any and all Internet applications (including, without limitation, netcasting,



podcasting, direct download, streamed webcasting, internet channels (e.g., Youtube) or any other form of digital media download or web syndication), films and tapes for exhibition in any and all media and all gauges, including but not limited to video and audio cassettes and disks, home video and computer games, arcade video games, hand-held versions of video games, video slot machines, photographs (including raw footage, out-takes and negatives), merchandising and program rights, in connection with or based upon the UFC brand, the Bouts or activities pertaining to the Bouts, including but not limited to, training, interviews, press conferences, weigh-ins and behind-the-scenes footage for the Bouts (the "**Pre-Bout Events**"), post-fight interviews and press conferences (the "**Post-Bout Events**") and any parts thereof on a commercial, sustaining, theatrical or other basis, and by any and all means, methods and devices whatsoever, now existing or hereafter devised.

c. The right to sell, assign, lease, license, sublease, use or otherwise dispose of any and all of the Rights and the results of the exercise thereof, and to authorize, license and grant the right to exercise any of the Rights and to retain the proceeds therefrom.

The ancillary rights don't simply give the promotion the permission to broadcast your fights on DVD or television after you've left the fight game. They are much more sweeping, covering essentially all forms of media and communications.

Video games? You might just be an unlockable character in EA's *UFC 2047* game.

Slot machines? Old ladies could be inserting coins into your mouth for decades to come.

Being used to market products you don't care for or find personally offensive?

You may be in luck. While the UFC can "sell, assign, lease, license, sublease, use or otherwise dispose of any and all of the Rights," they "shall not authorize or permit the Identity of Fighter to be used as a direct or implied endorsement of any product, service, sponsor or commodity."

Tattoos?

Them too. The contract grants Zuffa an "irrevocable, perpetual non-exclusive, transferable, assignable and sub-licensable right and license throughout the world, to use, publish, reproduce, distribute, display and exhibit such tattoos in any manner and on or through any media, in connection with ZUFFA's exercise of any of its other Rights hereunder."

#### **Juanito Ibarra**

It's not a fight contract no more. A fight contract has just a few things. Who you're fighting, where and when. How much you are getting paid. And your responsibility to the promoter for that fight. And that's it. Now it's filled with 'you shalls' and 'you musts.'

#### **Zev Eigen**

Primary markets in fighting are ticket sales, souvenirs and concessions at the stadium, pay-per-view receipts and things like that. But secondary markets are a huge driver of success in sports. Secondary markets are after market sale of T-shirts, hats, video games, DVDs, and the biggest one is the video game market. That secondary market is entirely reserved for the owners in this contract.

That's unusual because that's where a lot of athletes can make money and where their likeness carries a lot of weight. When you play a Major League Baseball game you want to play with Derek Jeter, not Merrick Schmeter. Same thing with fighting. You want to play as the actual fighter.

#### **Lawrence Epstein**

In addition to the ancillary rights in the agreement, we do compensate our athletes for other products that use their name and likeness. For example, the video game that we have with THQ and now that we have with EA, all the athletes who are part of that game receive a fee for their participation in the game. In addition to that, athletes that appear on the cover of the game will receive an additional fee.

We have a second agreement that is called a merchandise rights agreement with all of our athletes. And that agreement is designed to compensate our athletes for any product that we use their name and likeness on—a trading card, a toy. For all of those products we create with the UFC logo, the UFC brand and the fighter's name and image, we share revenues with the athletes based upon that agreement...(it) specifically lays out the percentage of revenues that the athlete will get for any branded products including their name and likeness.

In a version of this merchandise rights agreement obtained by Bleacher Report, the fighter is entitled to 10 percent of the gross revenues from products bearing their name and likeness.

## Article III: Promotion

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Nick Diaz has been known to no-show UFC promotional events. Gregory Payan/Associated Press

### ARTICLE III PROMOTION

3.1 Each Bout shall be a mixed martial arts contest, one-on-one fight between Fighter and an opponent designated by ZUFFA, subject to Fighter approval not to be unreasonably withheld, delayed or conditioned, conducted pursuant to the rules and regulations of the athletic commission, federation or official authority having jurisdiction over the Bout or ZUFFA pursuant to Section 3.7 (the "**Athletic Commission**"). Fighter and ZUFFA shall comply with and be bound by the rules and regulations of the Athletic Commission. For Bouts that occur in a jurisdiction or country without an Athletic Commission, the provisions of Section 3.7 shall control. In the event that Fighter does not approve of an opponent designated by ZUFFA, ZUFFA may, at its election and in accordance with the terms and conditions of Section 4.3 of this Agreement, extend the Term of this Agreement for the period required to designate another opponent for Fighter or six (6) months, whichever is longer.

3.2 ZUFFA shall promote and Fighter shall participate in the minimum number of Bouts set forth in Article IV below. For purposes hereof, ZUFFA shall be deemed to have complied with its obligations to promote any Bout if ZUFFA shall have made an offer to Fighter to promote a Bout in accordance with the provisions hereof and Fighter shall have refused to participate. If a Bout is the undercard to a main event and the main event is canceled or postponed for any reason, the failure of such Bout to take place shall not be deemed non-performance by ZUFFA and ZUFFA shall not be liable for Fighter's Purse associated therewith (as defined herein).

Zuffa is contracting with the fighter for a set number of one-on-one bouts. If [ZST style tag-team bouts](#) or, God forbid, [something like San Do](#), catch on, those will need to be contracted separately.



The fighter's main responsibility is to show up and fight. But there is more to it than that. Zuffa requires the fighter to "cooperate and assist in the advertising, publicity, and promotion of (i) the Bouts, (ii) any and all rebroadcast of the Bouts in any media whatsoever, (iii) other UFC bouts, (iv) other UFC events and broadcasts, and (v) the sale of UFC merchandise, including making appearances at a **reasonable number of press conferences, interviews and other sponsorship and promotional activities** (any of which may be telecast, broadcast, recorded or filmed) at times and places reasonably designated by ZUFFA, without additional compensation therefore. For such promotional activities, ZUFFA will arrange and pay for Fighter's reasonable travel, hotel and meal accommodations."

We'll call that one the "[Nick Diaz clause](#)."

#### **Juanito Ibarra**

If I've got a guy in the zone and I know he's going to win the world title and they come knocking on the door saying, 'You've got to go do press for five hours,' you know what I say? 'He ain't going nowhere.' I'm the manager. I'm the coach. There is a time and a place to be a media fighter. The day before the fight ain't it.

#### **Dana White**

The bottom line is, we're all in the business of making fights that people want to see. You're going to have your moments when fighters will lobby to not fight this guy or that guy. And normally what I do is call them out publicly when they won't. Don't tell me on the phone you don't want to fight a guy and then not say it publicly...You can't make anybody fight anybody. But nobody wants to be *that* guy.

## **Article IV: Term**



Lawrence Epstein(Josh Hedges/Zuffa LLC UFC via Getty Images)

#### ARTICLE IV TERM

4.1 The duration of the Promotional Rights provided herein (the "**Term**") shall commence on the Effective Date and end on the earlier of (i) forty (40) months after the first bout promoted by ZUFFA involving Fighter under this Agreement; or (ii) the date on which Fighter has participated in at least eight (8) Bouts promoted by ZUFFA pursuant to this Agreement (the "Termination Date"), unless terminated sooner or extended further pursuant to the provisions of this Agreement.

4.2 If, at the expiration of the Term, Fighter is then a UFC champion, the Term shall automatically be extended for the period commencing on the Termination Date and ending on the later of (i) one (1) year from the Termination Date; or (ii) the date on which Fighter has participated in three (3) bouts promoted by ZUFFA, regardless of weight class or title, following the Termination Date ("**Extension Term**"). Any reference to the Term herein shall be deemed to include a reference to the Extension Term, where applicable.

Of course, not every term will be the same for every fighter. In Alvarez's case, the contract is for 40 months or eight fights, whichever comes first. Most interesting is the so-called "Champion's Clause," which extends the contract either one year or three fights, whichever comes later *if* the fighter becomes UFC champion. That part is clear.

What isn't at all clear is whether or not this clause applies just once, or would apply again if the fighter goes through his three additional bouts and remains champion.

#### **Zev Eigen**

I think it's potentially a violation of the 13th Amendment, the prohibition against slavery or involuntary servitude. You can't force someone to work for you. I don't know how, under contract law, that would be enforceable. But I don't think it's been challenged.

#### **Lawrence Epstein**

It's never come into play before so we've never had a situation where it's been legally interpreted. But I can tell you, in my personal opinion, I think this is an opportunity for the promoter who has spent lots of time, effort and money promoting an athlete, building up his career, ultimately getting him to the point he could be a champion—and simply having the opportunity to enjoy that for at least one extension of the agreement.

But I don't think the law would support a perpetual agreement where you continue to roll over and roll over a champion's clause essentially until an athlete lost.

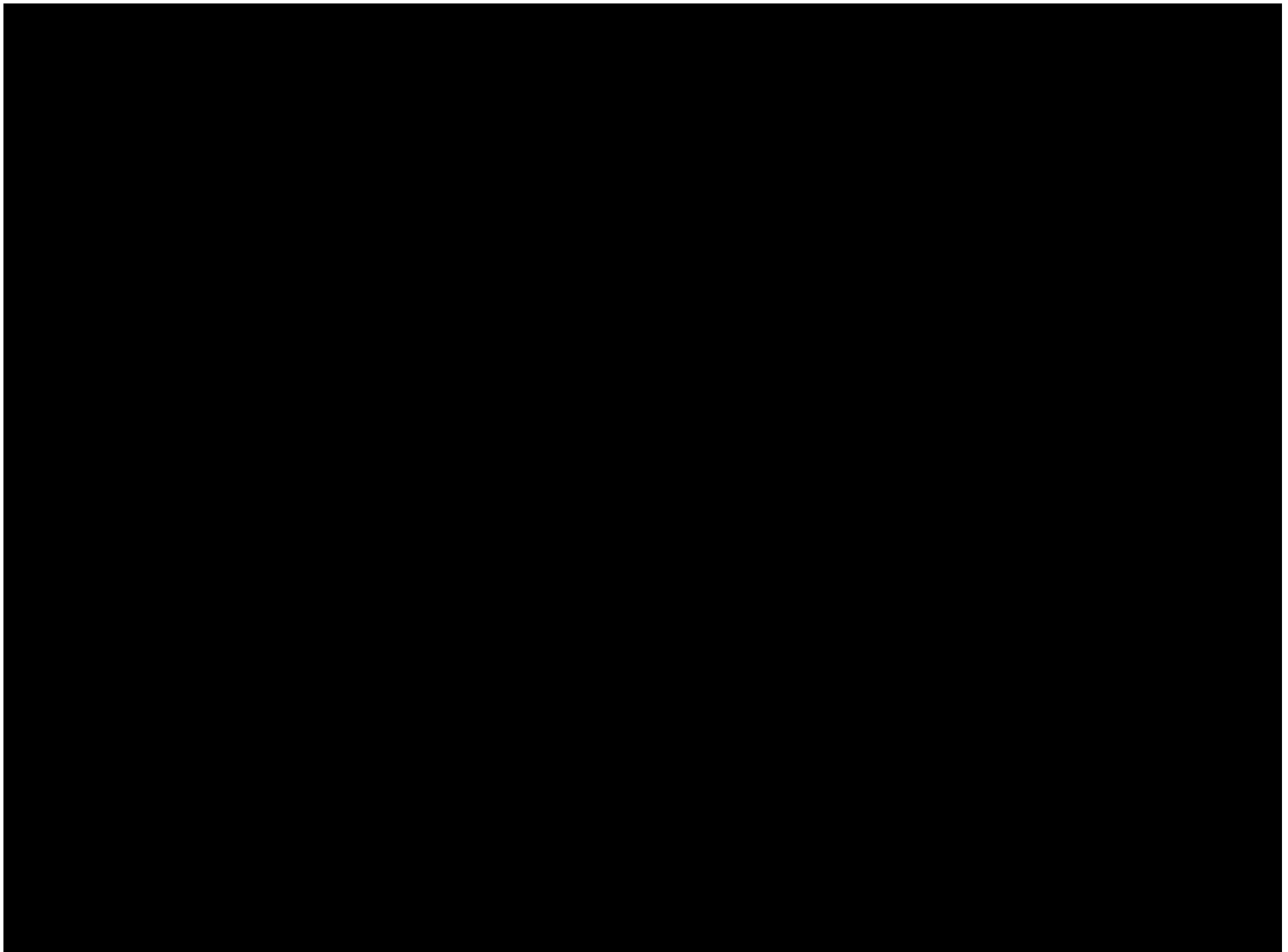
The UFC has also considered nearly every contingency that could keep a fighter out of a bout, including an athlete being:

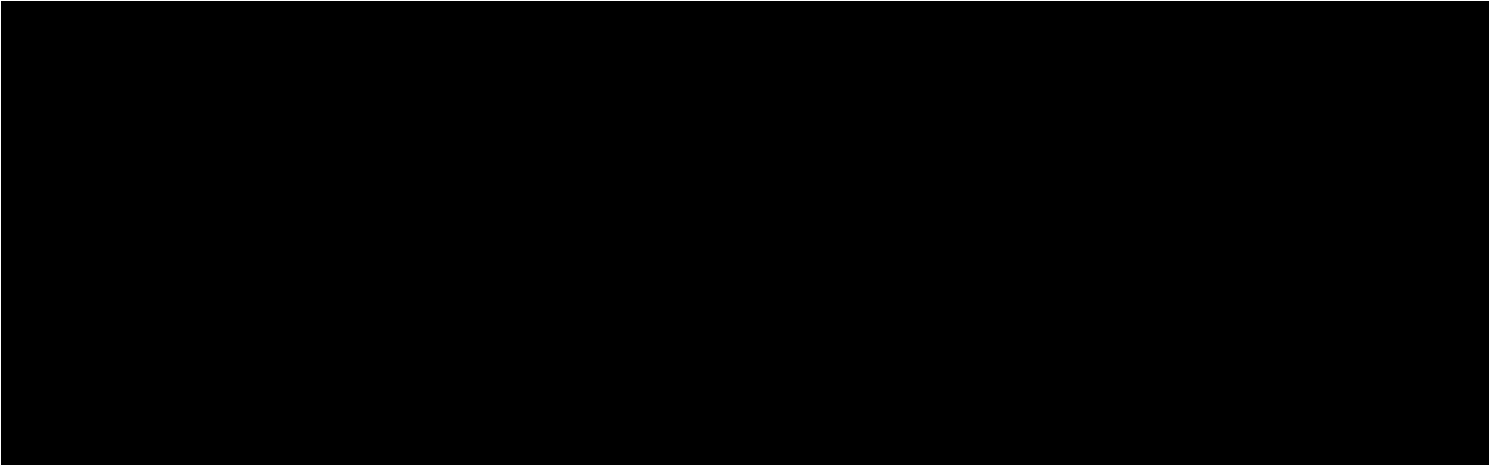
...disabled, sick or injured for any reason; incarcerated; suspended or revoked by an Athletic Commission; has his ability to travel restricted by a governmental agency or is otherwise unable, unwilling or refuses to compete or train for a Bout for any reason whatsoever, including, without limitation, not approving of an opponent designated by ZUFFA.

Should any of these unfortunate calamities occur, the contract will be "extended for six (6) months or any period of time that Fighter is unable or unwilling to compete, whichever is greater."

## Article IV: Acts of God

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4.5 ZUFFA shall not be deemed in default of this Agreement to the extent that performance of its obligations are delayed or prevented by reason of any act of God, fire, natural disaster, war, riots, civil unrest, strike or labor difficulties, terrorism, power failure, other calamity or acts constituting force majeure, or any governmental or Athletic Commission enactment, determination or action, regulation or order. If there is an occurrence of a force majeure event or other bona fide action, ZUFFA may elect to suspend this Agreement for a period equal to the duration of the occurrence, and no compensation shall be paid or become due to Fighter during such suspension period.

Not everyone would agree with Edwin Starr's assessment that war is good for "[absolutely nothing](#)." That said, one thing it's definitely not good for is getting a fighter out of his UFC contract. Neither would a fire, act of terrorism or, presumably, plague of locusts.

This, perhaps, is the most biblical of all the terms included in this contract.

**Juanito Ibarra**

Here's another contradiction. When you get hurt...what do they do with that fight you just missed? Do they waive it? Hell no. That's an automatic extension. Now you owe them that fight. But, if they feel like or an act of God happened and they have to cancel the show, is that fighter guaranteed money? They don't owe him anything.

## Article VI: Fighter's Purse

c. If and only if Fighter is declared the winner of the first Bout and the second Bout by the applicable Athletic Commission, Fighter's Purse for the third Bout shall be Eighty Thousand Dollars (US \$80,000.00), less all permissible or required deductions. If and only if Fighter is declared the winner of the first Bout, the second Bout, and the third Bout by the applicable Athletic Commission, the Win Bonus for the third Bout shall be Eighty Thousand Dollars (US \$80,000.00), less all permissible or required deductions. If Fighter is not declared the winner of the first Bout and the second Bout by the applicable Athletic Commission (and if there is no Acceleration), Fighter's Purse and Win Bonus for the third Bout shall be the same as set forth in subsection (a) above. If Fighter is declared the winner of either the first Bout or the second Bout by the applicable Athletic Commission, but not both (and if there is no Acceleration) Fighter's Purse and Win Bonus for the third Bout shall be as set forth in subsection (b) above.

d. If and only if Fighter is declared the winner of the first Bout, second Bout and third Bout by the applicable Athletic Commission, Fighter's Purse for the fourth Bout shall be Eighty-Five Thousand Dollars (US \$85,000.00), less all permissible or required deductions. If and only if Fighter is declared the winner of the first Bout, the second Bout, the third Bout, and the fourth Bout by the applicable Athletic Commission, the Win Bonus for the fourth Bout shall be Eighty-Five Thousand Dollars (US \$85,000.00), less all permissible or required deductions. If Fighter is not declared the winner of the first Bout, second Bout and third Bout (and if there is no Acceleration), Fighter's Purse and Win Bonus for the fourth Bout shall be as set forth in subsection (a) above. If Fighter is declared the winner of only one of the first three Bouts by the applicable Athletic Commission (and if there is no Acceleration) Fighter's Purse and Win Bonus for the fourth Bout shall be as set forth in subsection (b) above. If Fighter is declared the winner of only two of the first three Bouts by the applicable Athletic Commission (and if there is no Acceleration) Fighter's Purse and Win Bonus for the fourth Bout shall be as set forth in subsection (c) above.

It's not polite to talk money, but that's often what a contract boils down to. In Alvarez's case, the terms were widely reported, but some of those reports were a little misleading.

It's true that the standard UFC contract seems to include escalators that increase a fighter's pay over the course of the contract. But that's true "if



and only if" he wins each and every time he steps into the cage. If a fighter loses a bout, he's locked into the rate where he currently sits.

In Alvarez's case, his first bout would be for a purse of \$70,000 with a win bonus also pegged at \$70,000. If he proceeded to win his first seven fights, his final bout would be for a purse and win bonus of \$105,000 a piece.

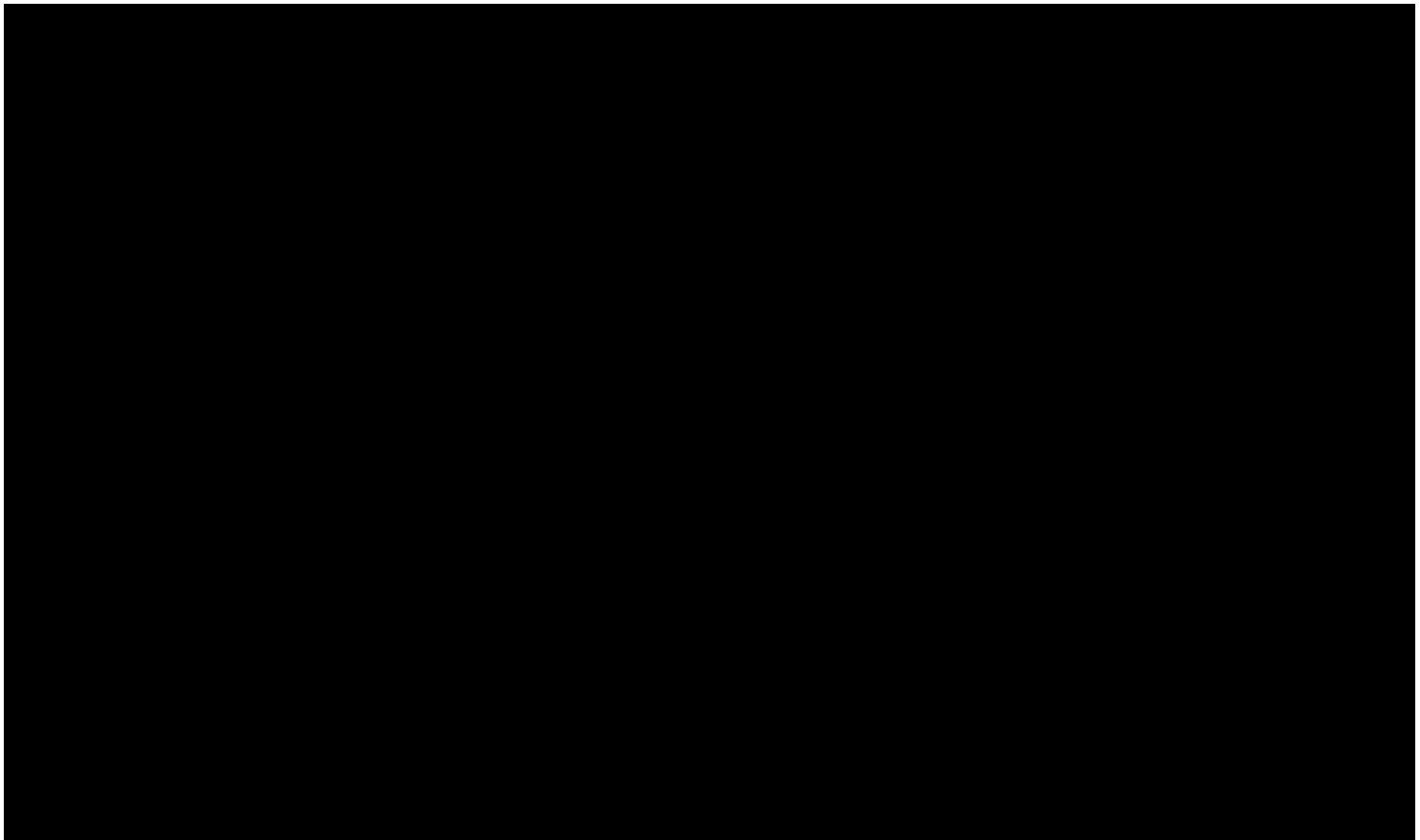
**Juanito Ibarra**

Who is the genius that decided to pay an athlete less when he loses? Boxers don't do that. No other sport, basketball or football, does that. They may have bonuses, sure, for making the All-Star team, but the foundation is built on guaranteed money.

**Lorenzo Fertitta**

Our structure is different in that it's not just one guy on the card that's making that kind of money. We're paying significant dollars for the main event (and) the opponent. The co-main event (and) the opponent. Guys who are headlining on the pay-per-view and guys who have to be the main event on the prelim show on FX...the wealth is spread a lot more evenly than it is in boxing, where one guy garners more than his fair share, or the entire share.

## Article VI: PPV Bonus



6.2 ZUFFA and Fighter intend for Fighter's first Bout, under this Agreement, to be for the UFC lightweight title and for said lightweight title Bout to occur before the end of March of 2013 so long as Fighter and the then current UFC lightweight champion is medically and/or otherwise able to compete by such date. For the avoidance of doubt, however, regardless of whether Fighter's first Bout is for the lightweight title Bout and occurs on or before the end of March of 2013, in addition to the Fighter's Purse, (i) for Fighter's first Bout under this Agreement; and (ii) for any subsequent Bout thereafter in which Fighter participates in a Bout and is defending a UFC Championship belt, so long as such applicable UFC event is broadly distributed in the United States and/or Canada, or any other territory, including via the internet, and so long as the rates charged in said territories, or on the internet, are comparable to those charged in the United States or Canada, on residential pay-per-view on iN DEMAND, DirecTV, Echostar, or similar pay-per-view provider as utilized by ZUFFA ("Pay-Per-View Providers"), then Fighter has the potential to receive a pay-per-view bonus. If such UFC event exceeds specified buy rates of combined sales through Pay-Per-View Providers, Fighter shall receive a Pay-Per-View Bonus as follows:

For combined Pay-Per-View Provider buys purchased within thirty (30) days of the live event, Fighter shall receive One dollar (\$1.00) for each pay-per-view buy between 200,000 buys and 400,000 buys; and Two dollars (\$2.00) for each pay-per-view buy between 400,000 buys and 600,000 buys; and Two dollars and Fifty Cents (\$2.50) for each pay-per-view buy over 600,000 buys.

\*By way of example only, if such an applicable event were to generate 900,000 combined iN DEMAND, DirecTV, and Echostar, pay-per-view buys, Fighter would receive a pay-per-view Bonus of \$1,350,000, which would represent \$200,000 for applicable buys between 200,000 and 400,000 (\$1 x 200,000 buys), \$400,000 for applicable buys between 400,000 and 600,000 (\$2.00 x 200,000 buys) and \$750,000 for applicable buys between 600,000 and 900,000 (\$2.50 x 300,000).

Make no mistake—this is a pretty sweet deal for Mr. Alvarez, especially if he wins all of his fights. In that case, he would pocket \$1,400,000 in fight purses and win bonuses alone. But the real money in the fight game is on pay-per-view.

This isn't guaranteed money by any means. Alvarez was guaranteed just one bout with a cut of the PPV money. After that, he would be compensated only in bouts in which he was "defending a UFC Championship belt." That means there is a very real possibility that Alvarez's stint as a recipient of additional income from the sale of PPVs would be a one-time proposition.

#### **Juanito Ibarra**

You can pay a fighter in suitcases, off-the-record bonuses—that's your right. But pay my man a million dollars guaranteed and then we'll talk about pay-per-view once he's a superstar. You should start at \$3 per pay-per-view.

There are no managers out there to keep them honest, who know enough to scare them into thinking 'Oh, I'm dealing with a player.'

#### **Zev Eigen**

Let's compare it to the Screen Actors Guild. Let's say you're a member of SAG and you're Tom Hanks. You don't really care about the minimum amounts the studio has to pay a day player. It's very different for Tom Hanks and a guy who's just going to show up to be in the background of *Forrest Gump*. Tom Hanks is going to get much more.

So there's two negotiations that take place—negotiations between the movie studios and the Screen Actors Guild that says no one

gets paid below 'X,' you have certain rights if your obscure character blows up into something big, and so on. There's a second layer of negotiation between Tom Hanks and the studio. And that doesn't have anything to do with the union. SAG doesn't even show up to those negotiations. All that stuff happens above the minimums.

**Lorenzo Fertitta**

The way we've structured the compensation is fair. Our top guys simply eat what they kill. Which means they get a back end on the pay-per-view. And for guys we think perform and do a great job, we then sit down and we hand out a significant amount of discretionary bonuses.

I'm sure at times it's frustrating for some of the media, because they can't quite figure out exactly what the compensation levels are, but our fighters do well. And when the event does well, they get paid more money. Really, their earning potential is unlimited. It just depends on how many buys they can do and how much revenue they generate.

Based on Eddie Alvarez's contract, a UFC fighter would need to sell 13.16 million pay-per-views to match Floyd Mayweather's \$32 million one-night pay day. The biggest individual pay-per-view of all time—a boxing match between Mayweather and Oscar De La Hoya attracted 2.4 million paying customers in 2007.

## Article VII: Incidentals

## ARTICLE VII INCIDENTALS

Making up for it are four free tickets to the event. If you're in the main event of the evening, those tickets must be in the first 10 rows.

## Article VIII: Fighter's Conduct

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Matt Mitrione was recently suspended for his out-of-cage conduct. Jim Kemper/Zuffa LLC/Getty Images

### ARTICLE VIII FIGHTER'S CONDUCT

8.1 Fighter shall conduct himself in accordance with commonly accepted standards of decency, social conventions and morals, and Fighter will not commit any act or become involved in any situation or occurrence or make any statement which will reflect negatively upon or bring disrepute, contempt, scandal, ridicule, or disdain to Fighter, the Identity of Fighter or any of Fighter's Affiliates, ZUFFA or any of its officers, managers, members, employees, or agents. Fighter's conduct shall not be such as to shock, insult or offend the public or any organized group therein, or reflect unfavorably upon any current or proposed, arena, site hotel, sponsor or such sponsor's advertising agency, or any network or station over which a Bout is to be broadcast. In addition, Fighter agrees that during a Bout, or while training for a Bout, as well as during any Pre-Bout Events or Post-Bout Events, neither Fighter nor any of his managers, trainers and assistants shall wear any clothing or ornamentation, including, but not limited to, permanent or temporary tattoos or body art that is lewd, obscene, offensive, defamatory, discriminatory on the basis of age, sex, race, color, creed, national origin, political belief, religious belief or sexual orientation or otherwise inappropriate as determined by ZUFFA in its sole discretion or which conflicts with a ZUFFA sponsor, the arena or telecaster.

8.2 Fighter and Fighter's Affiliates shall maintain a high standard of sportsmanship and



conduct themselves in a professional manner prior to, during, and following each Bout.

Fighters are required to "maintain a high standard of sportsmanship and conduct themselves in a professional manner prior to, during, and following each Bout."

What that means, when your profession is cagefighting, is up to the reader's imagination.

What it doesn't mean is participation in lewd and obscene advertising and publicity materials or use of any controlled or banned substances. Those things are prohibited by contract.

#### **Zev Eigen**

These clauses are typical in professional sports contracts across the board.

## **Article IX: Injury or Retirement**

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Antonio Silva was able to avoid injury in a brutal loss to Cain Velasquez. Julie Jacobson/Associated Press

ARTICLE IX INJURY OR  
RETIREMENT

9.1 If at any time during the Term, ZUFFA offers to promote a Bout for Fighter and Fighter refuses to participate in or attempts to cancel or postpone such Bout for reason of a claimed injury or other medical disability, ZUFFA shall have the right, but not the obligation, to have Fighter examined by a medical doctor of its choice at ZUFFA's expense, and, if ZUFFA so elects, Fighter shall appear for such examination on one (1) day's notice.

9.2 If at any time during the Term, Fighter claims to be injured or temporarily disabled, ZUFFA may, at its election, for each such injury or disability claimed by Fighter, (i) extend the Term for the period of such injury or disability or for the period of six (6) months, whichever is longer; (ii) declare that ZUFFA has satisfied its obligation to promote one (1) of the Bouts to be promoted by ZUFFA hereunder, without any compensation due to Fighter for said Bout; or (iii) provide Fighter with notice of an Acceleration as defined herein.

9.3 If at any time during the Term, Fighter decides to retire from mixed martial arts or other professional fighting competition or is permanently disabled, then ZUFFA may, at its election, (i) suspend the Term for the period of such retirement or disability; (ii) declare that ZUFFA has satisfied its obligation to promote all future Bouts to be promoted by ZUFFA hereunder, without any compensation due to Fighter therefor; or (iii) elect to provide Fighter with notice of an Acceleration.

A fighter considering faking an injury to avoid a disadvantageous fight better think twice—that's a dangerous road to walk down. The UFC has the right to have its own doctors have a look on just a single day's notice. That's not very long to think about it, so you better have your story straight before entering the danger zone.

You also can't use an injury to wait your contract out. The UFC contract continues rolling for every minute you are unable to meet your obligations.

## **Article X: Termination/Remedies**



This loss to Georges St-Pierre could have been the end for Nick Diaz. Josh Hedges/Zuffa LLC/Getty Images

#### ARTICLE X TERMINATION/REMEDIES

ZUFFA shall have the right, but not the obligation, upon notice to Fighter, to accelerate the Term and thereby terminate ZUFFA's promotional and other obligations hereunder and under any Bout Agreement then in effect (an "**Acceleration**") and to terminate Fighter's participation in any Bout, with Acceleration effective as of the date of notice, and to withdraw recognition from Fighter of any Championship Title, Status and Belt, if:

- a. Fighter fails, for any reason whatsoever (other than the injury or physical disability of Fighter or any act of God as provided in Section 4.5) to engage in the minimum number of Bouts as offered by ZUFFA;
- b. Fighter or any of Fighter's Affiliates materially breach, violate or are in default of any provision of this Agreement or any other agreement hereafter entered into between Fighter and ZUFFA;
- c. any of the representations or warranties of Fighter contained herein were false when made or are no longer true and correct;
- d. Fighter is not declared the winner of any mixed martial arts bout (whether promoted by ZUFFA or not) by the Athletic Commission or official authority having jurisdiction over the bout; or
- e. Fighter's license to participate in bouts is suspended or revoked by an Athletic Commission;
- f. Fighter is unable to obtain the necessary documentation, including any work visas, to lawfully permit Fighter or Fighter's Affiliates to participate in any Bout as provided for in Section 23.2 of this Agreement.
- g. Fighter is charged with a misdemeanor (other than a minor traffic offense) or a felony.
- h. Fighter should commit any act which would permit any arena, event site or television broadcaster, distributor or exhibitor to cancel its contract with ZUFFA for a particular Bout in which Fighter was to participate.

Zuffa has the right to terminate this contract if the fighter breaks any of the previous contract terms. But that's not the only thing that makes this document potentially null and void—you can also be fired for losing a fight.

So, all those UFC contracts that claim to be for eight or 10 fights? That's only true if you keep winning. Otherwise, the contract is only as long as the UFC wants it to be.

**Lawrence Epstein**

We do have some guaranteed contracts, so that's not the situation with all our athletes.

In the boxing industry, which has historically been the model that we've used from a legal standpoint putting together the agreements, these cut provisions have always been in the agreements because a fighter's market value changes very dramatically, or can change very dramatically, in the event of a loss.

That being said, you can take a look at our history—we're not in the business of cutting fighters. We're in the business of promoting fights...it's the exception rather than the rule that we get rid of fighters when they lose.

**Zev Eigen**

This is an unconscionable term. The term unilaterally benefits the employer with no reciprocal benefit to the fighter. It's completely one-sided, completely unfair and seems to suggest that any term is a material term for purposes of the employer. Every breach could be a material breach for the fighter, but nothing is for the UFC. There's an argument there that it's unconscionable and unenforceable.

**Juanito Ibarra**

As soon as you lose, you lose your voice. Then they eat you up.

## **Article XII: Right to Match**



QuintonJosh Hedges/Zuffa LLC/Getty Images

## ARTICLE XII RIGHT TO MATCH

12.1 During the one (1) year period after conclusion of the Term for any reason whatsoever (the "**Matching Period**"), ZUFFA shall have the option to match the financial terms and conditions of any offer made to Fighter for an Other Bout as defined in Section 3.6 of this Agreement. Fighter shall not accept any offer or enter into a contract or agreement with any other promotional entity during the Matching Period without complying with this Section 12.1. Prior to acceptance of any Offer made during the Matching Period, Fighter shall first deliver to ZUFFA a written notice of all material financial terms and conditions of the offer, including, but not limited to, the identity of the promotional entity making the offer. Such notice shall constitute an exclusive, irrevocable offer (the "**Fighter Offer**") to contract with ZUFFA on the same financial terms and conditions. ZUFFA shall have fifteen (15) business days following receipt of the Fighter Offer in which to accept the financial terms of the Fighter Offer. If ZUFFA does not accept the Fighter Offer, Fighter may then accept the offer without modification during the ten (10) business day period following expiration of the Fighter Offer (the "**Contract Period**"). If the offer is modified in any material way, such modification shall give rise to another Fighter Offer on such modified terms and conditions and ZUFFA shall have the option to match the terms of the offer, as modified in accordance with the terms and conditions of this Section 12.1. If Fighter has not contracted with a third party on or before the conclusion of the Contract Period, then all rights granted to ZUFFA pursuant to this Section 12.1 shall be automatically reinstated.

Done with your three-year UFC contract and ready to pursue opportunities in boxing or another MMA promotion?

Not so fast. Zuffa has the right to match any offer for one year. Let's call this the "[Rampage Rule](#)."

It was a similar term in Alvarez's contract that got us here. The promoter gets an opportunity to see not only who is making the fighter an offer, but also the exact contract terms that apply.

It's a wonder that this "secret" contract stayed hidden this long.

### **Dana White**

Everybody needs more money. Everyone wants to make more money. Every day a new guy's contract is up and we bring him in, we sit down and negotiate, and our goal is to have that guy walk out the door happy. We want the people here to be happy. You can't make everybody happy all the time. You saw what happened with Rampage. Rampage made it very clear he wasn't happy here in the UFC. OK.

### **Lorenzo Fertitta**



The reality is, we've been very proactive. With guys we think we want to be part of the UFC, when their contract is even close to coming up, me and Dana get personally involved, either fly them out here or we jump on a plane and we sit down with their managers. I would say, 99 percent of the time, we've been successful agreeing to an extended contract.

#### **Zev Eigen**

It's a little bit tricky because contracts are governed by state law. But in general terms, this is problematic. It's essentially a contract that could have no end. You can't compel someone to work for you. We've prohibited slavery.

#### **Juanito Ibarra**

The fighter has no chance to grow as an independent contractor. Matching rights for a year? Are you serious? Some of these companies, like Zuffa—they're exploiting these guys.

#### **Lawrence Epstein**

The matching provisions are actually an asset for the athlete. If they can go out to a potential bidder and say, 'Hey, you know what? UFC has a potential match opportunity here,' that will get a promoter to offer as much as possible hoping that the UFC doesn't match it. So this is actually a positive thing for the athletes.

## **Article XIII: Representations and Warranties**

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Joe Lauzon and Jim Miller gave it their all in thisJosh Hedges/Zuffa LLC/Getty Images

### **ARTICLE XIII REPRESENTATIONS AND WARRANTIES**

Fighter represents and warrants to ZUFFA that:

- a. Fighter shall prepare and honestly compete to the best of Fighter's ability in the Bout and that there is no impairment to Fighter doing so;
- b. Fighter is free to enter into this Agreement and has not heretofore and will not hereafter enter into any contract, option, agreement or understanding, whether oral or written, which conflicts with the provisions hereof or the grant of Rights contained herein or which would or could interfere with Fighter's full and complete performance hereunder or the free and unimpaired

exercise by ZUFFA of any of the Rights;

c. There are no claims or arbitration, mediation, or litigation pending or threatened affecting Fighter that would or could interfere with Fighter's full and complete performance hereunder or the free and unimpaired exercise by ZUFFA of any of the Rights;

Plan on phoning it in?

Not if you're a fighter under Zuffa contract. This could lead to a breach of contract and cost you your job.

I'd suspect that fixing fights is also strictly prohibited in every jurisdiction the UFC visits.

#### **Zev Eigen**

The idea that you owe a duty as an athlete to perform at your best and to act in the best interest of the owners is fairly typical language in athlete contracts across the board.

## **Article XIV: Assumption of Risk/Waiver of Claims**

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UFC veteran Dan Miller on the wrong end of a devastating knockout. Jonathan Ferrey/Zuffa LLC/Getty Images

#### **ARTICLE XIV ASSUMPTION OF THE RISK/WAIVER OF ALL CLAIMS**

14.1 Fighter fully understands and agrees that the professional sport of mixed martial arts is an inherently and abnormally dangerous activity that can result in severe and permanent physical injury, including but not limited to irreversible neurological trauma, disability, or death. Fighter represents that he is a seasoned professional in the sport of mixed martial arts, and Fighter has knowingly evaluated the inherent risks, foreseen and unforeseen, in this dangerous. sport and represents and declares that he is physically, mentally, emotionally and intellectually willing and able to accept, and does hereby clearly, unambiguously and explicitly accept, all risks, foreseen and unforeseen, associated with participating in the sport and the Bouts.

When Dana White discusses fighter health and welfare, he often makes claims about how safe the sport is compared to boxing, football and even cheerleading. And, perhaps, the sport may be safer than many assume.

But this is still a dangerous game. So, dangerous, in fact, that the UFC is allowed to take out life insurance policies on its contracted fighters. Fighters will have no claim to these policies and are required to:

...cooperate with and assist ZUFFA- or its agent (as directed by ZUFFA), -in obtaining and maintaining any such coverage, including submitting to physical or other examinations of Fighter and furnishing such information and medical records as may be required by any existing or proposed insurer.

**Juanito Ibarra**

These fighters put their lives on the line.

**Zev Eigen**

It's becoming increasingly more common, not just for athletes but for fat cat executives. It seems morbid and creepy, but it's becoming normal.

## Article XVI: Prohibition on Use of Intellectual Property

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Anderson Silva's middleweight strap technically belongs to Zuffa. Jed Jacobsohn/Zuffa LLC/Getty Images

ARTICLE XVI PROHIBITION ON USE  
OF INTELLECTUAL PROPERTY

## RIGHTS

16.1 Unless Fighter receives prior written approval from ZUFFA, Fighter shall not utilize any of ZUFFA's intellectual property rights, including, but not limited to, the names and marks "Ultimate Fighting Championship," "UFC," the "Octagon," "Ultimate Fighting," "Ultimate Fighter," and any logos, pictures or other representations of ZUFFA's intellectual property. Without limiting the scope of this prohibition, Fighter expressly agrees that he may not refer to himself as a "UFC Champion"; "former UFC Champion"; "UFC Star"; "UFC Superstar"; "UFC Fighter" or utilize any of ZUFFA's intellectual property in describing or referring to himself without the express written consent of ZUFFA. Further, Fighter expressly agrees not to use a UFC championship belt without the prior written approval of ZUFFA, and further agrees that any such belt he obtains is on loan and will at all times remain the property of ZUFFA. Upon ZUFFA's written request, the belt must be returned within forty-eight (48) hours to ZUFFA at Fighter's expense. Additionally, Fighter expressly acknowledges and agrees that ZUFFA is not a sanctioning organization and Fighter does not possess and cannot assert any property right or similar legal interest in the UFC Title or in being a UFC Champion.

16.2 Fighter shall not utilize the intellectual property rights of any of ZUFFA's sponsors, including, without limitation, any logos, pictures or other representations of such intellectual property.

You may be "UFC fighter John Smith" for the remainder of your life and beyond if you come to work for Zuffa. At least, your likeness and namesake can be used that way across a variety of mediums. However, that's not how you will describe yourself unless you get the UFC's permission.

A fighter also cannot use the UFC title in any advertising or promotional work. And that physical title? The shiny title belt? It's not yours either—it's just a loaner. The belt belongs to Zuffa and must be returned "within forty-eight (48) hours to ZUFFA at Fighter's expense."

## Article XVII: Assignment





Chuck Liddell fought three times in Pride during his UFC tenure.Noel Vasquez/Getty Images

#### ARTICLE XVII ASSIGNMENT

17.1 ZUFFA shall have the absolute right to assign, license, or transfer any or all of the rights granted to it hereunder, including, but not limited to, the right to co-promote any Bout in association with any one or more persons or entities of its choosing. ZUFFA may assign any of its respective obligations hereunder without Fighter's consent.

17.2 The rights and obligations of Fighter arising from this Agreement and any Bout Agreement are personal to Fighter and the benefits and the duties of Fighter hereunder may not be assigned, pledged or transferred for any reason.

If a fighter is feeling tired or hurt, he or she can't assign his fights to a teammate or friend. That kind of subcontracting is a no-no. But Zuffa can assign a fighter's bouts to another promoter.

At some point in the future, we might even see this happen, with the UFC assigning some bouts [to smaller promotions](#) if and when they are unable to meet the contractual demands of all their athletes.

#### **Dana White**

We did it in the past. I sent Chuck Liddell and Ricco Rodriguez to Pride. I didn't pay them for those fights. They made some great money and I let it happen.

They had an interesting pay structure there. Then Wanderlei Silva was supposed to come and fight Chuck in the UFC but they never held up their end of the bargain. My one step into co-promoting didn't work out that well.

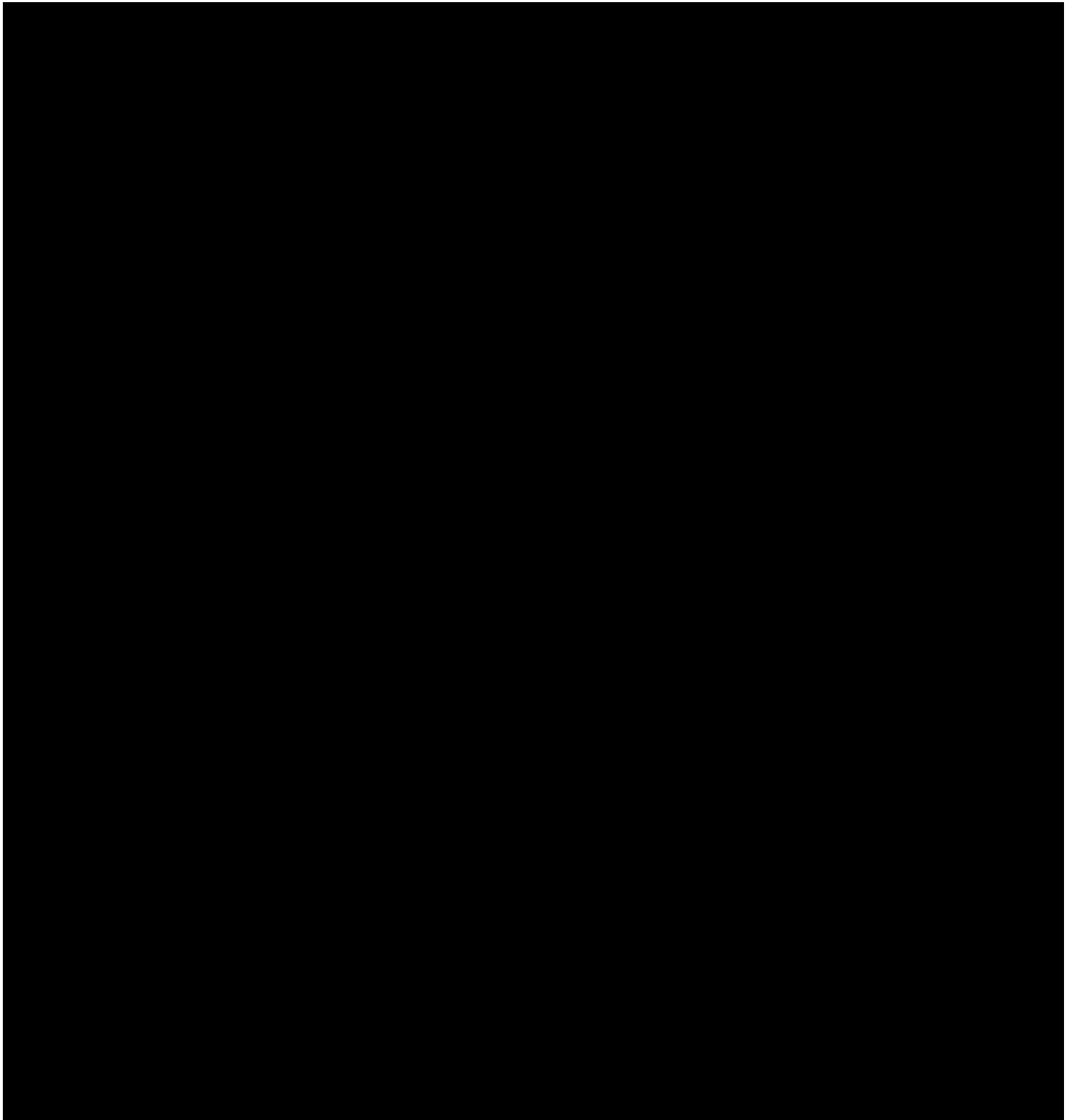
#### **Lorenzo Fertitta**

(This term is about) having the ability to make sure these fighters continue to get fights and are getting paid. When you have a lot of fighters on the roster, there are situations where you might not be able to get a fight for a guy or woman in the right amount of time—the provision is there so you can go to another promotion and say, 'Hey, will you put the fighter on (your card)?'

Obviously, they'd make the same amount of money they were going to get paid in the UFC and, of course, the fighter has to consent to it to. You can't force them to fight. You call them up and say, 'Hey, do you want to take this fight?' If not we'll figure something else out.

## **Article XXI: Commercial Identification**





ARTICLE XXI COMMERCIAL  
IDENTIFICATION

21.1 Fighter covenants and agrees that no wording, symbols, pictures, designs, names or other advertising or informational material (i) for any beer, alcohol, beverage company, tobacco, casino or gaming company, media company (including, but not limited to, HBO, ABC, SNI, ESPN, Spike, any Viacom owned network and any Internet related company); (ii) of any sponsor in conflict or competition with ZUFFA or any of ZUFFA's sponsors; (iii) of any sponsor causing injury to the reputation of ZUFFA or ZUFFA's sponsors or their respective officers and owners; or (iv) which has not been pre-approved in writing by ZUFFA shall appear on the trunks, gloves, robe, shoes or any other part of the costume or the body (including by use of temporary or henna

tattoos) of Fighter or any of Fighter's Affiliates during or at any Bouts, Pre-Bout Events or Post-Bout Events. For the avoidance of doubt, all sponsorship and endorsement approvals shall be at ZUFFA's sole discretion. Fighter further covenants and agrees to only use the gloves approved and supplied by ZUFFA.

21.2 Notwithstanding the foregoing, ZUFFA shall have the right to include any advertising or other informational material of ZUFFA, ZUFFA's sponsors or other entities designated by ZUFFA on the trunks, gloves, robe, shoes, regalia or any other part of the costume of Fighter or any of Fighter's Affiliates during or at any Bouts, Pre-Bout Events or Post-Bout Events.

UFC fighters are prohibited from advertising competitors in the fight game, including HBO- and Viacom-affiliated events (i.e. Bellator). They aren't allowed to do independent advertising of any beer or casino companies either.

Zuffa, it seems, knows where its bread is buttered.

An interesting tidbit is the potential end of the traditional fighter/sponsor dynamic. Right now, each fighter is responsible for building his or her own relationships with potential sponsors. The primary selling point is the real estate on trunks and shirts.

But, should they need it, the UFC has the contractual right to use this space as it deems necessary. Rumor is, the promotion is negotiating [something big with Reebok](#). Could we see a potential UFC-wide sponsor coming at some point in the future?

The contracts are built to make this a possibility.

#### **Lorenzo Fertitta**

We don't know. I don't want to speculate what the future holds, but I will tell you this: Over time, I think it could be a good thing for the fighters. Based upon the brand and the shows, we've been able to bring in some real high-end, blue-chip sponsors.

The opportunities for fighters to be sponsored by those big, blue-chip companies has gone up significantly. Now you see a number of our athletes that are sponsored by Metro PCS and are in commercials getting nationwide exposure. The same thing with Bud Light and a number of other sponsors. We've created more opportunities, and more premium opportunities, for fighters to be able to make a lot more money and align themselves with much better companies and much better brands.

#### **Lawrence Epstein**

There's no deal with Reebok that has been signed or is even on the table. That being said, just like we do with the merchandise rights agreements, if we do do some sort of uniform deal, the fighters are going to participate in that.

#### **Zev Eigen**

There's no floor, so of course the company takes all the rights. There's nothing wrong with zealously drafting a contract in your client's best interests. I don't fault Zuffa for doing it. Athletes are usually able to leverage pooled markets provided by being a member of an association or union to get more money in the secondary market.

Fighters face the worst-case scenario. They are alone, at the mercy of a company that is interested in making money for itself rather than for them. That's not surprising. That's how capitalism works.

## **Article XXII: Confidentiality**



Dana White and Lorenzo Fertitta at a UFC press conference. Michael Cohen/Getty Images

## ARTICLE XXII CONFIDENTIALITY

22.1 Fighter shall not disclose to any third party (other than his agents and professional advisers, in their capacity as such, on a need-to-know basis), any information with respect to the terms and provisions of this Agreement or any Bout Agreement except: (i) to the extent necessary to comply with law or the valid order of a court of competent jurisdiction, in which event Fighter shall notify ZUFFA as promptly as practicable (if possible, prior to making such disclosure) and shall seek confidential treatment of such information, (ii) as part of normal reporting or review procedure to Fighter's lenders, auditors, attorneys and similar professionals, provided that such lenders, auditors and attorneys and similar professionals agree to be bound by the provisions of this section; and (iii) in order to enforce Fighter's rights pursuant to this Agreement or any Bout Agreement, in which case Fighter agrees to enter into a confidentiality agreement for all such proceedings.

22.2 ZUFFA shall have the sole right to determine the timing and content of and to make any press announcements and other public statements regarding this Agreement.

In most other mainstream sports, an athlete's salary is readily available to the media and interested fans. There are journalists who spend the bulk of their time studying these salaries and the associated salary cap issues that come with artificial limits of athlete pay.

As the furor over Alvarez's UFC contract indicates, this information is rarely discussed publicly and many fans are deeply interested in the details. But fighters don't talk about their deals—because they are contractually prohibited from doing so.

### **Zev Eigen**

The employee has to keep confidential how much he's making. That's a complete violation of the National Labor Relations Act on its face. Imagine if a union came out to organize these fighters. To do that they'd need to know how much they were getting paid.

### **Lorenzo Fertitta**

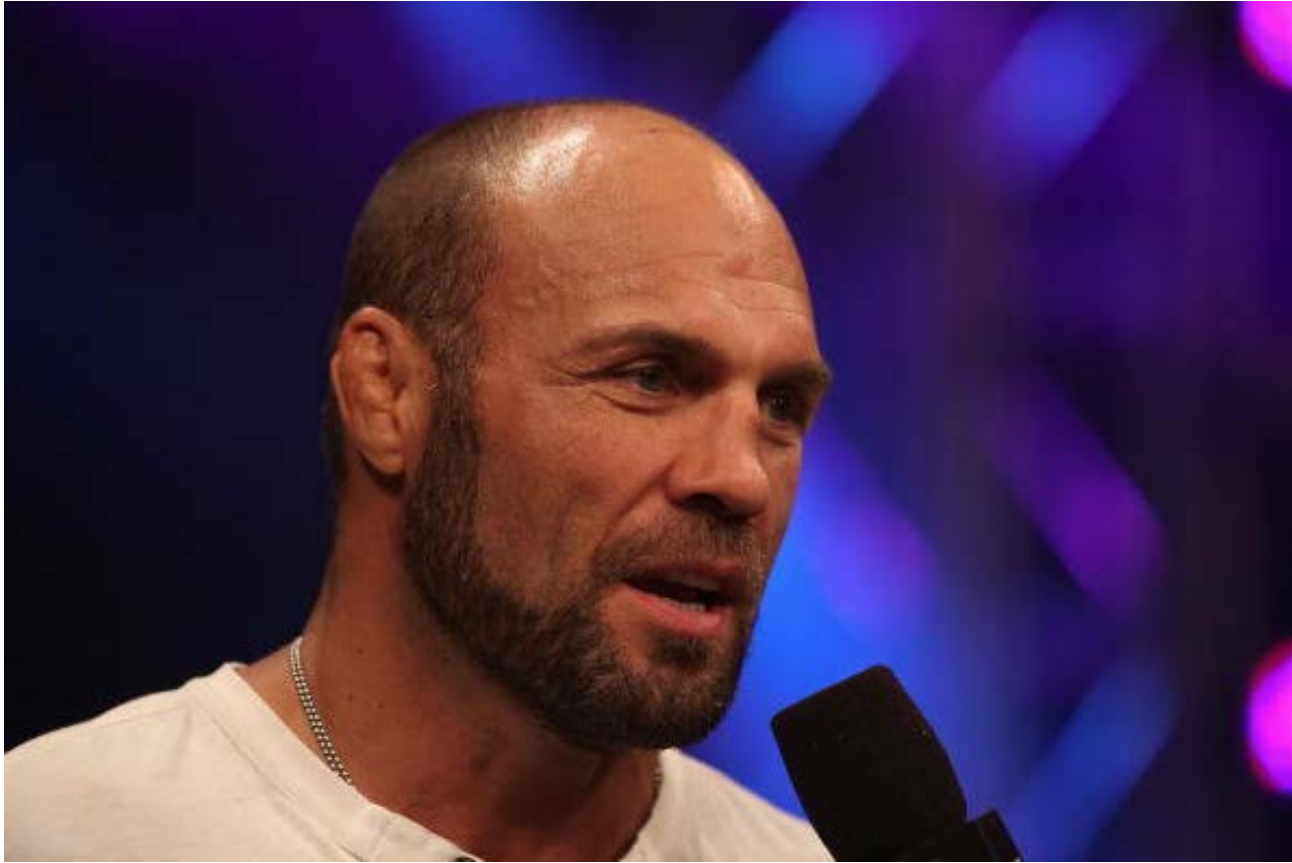
I've never had a fighter come to me and say, 'Would you please tell everybody how much money I make?'

### **Dana White**

Or, 'please let me out of this deal where I can't tell the press how much money I make.' You're never going to hear that. These guys don't want you to know what they make either.

# The Future?

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Randy Couture levels with both sides in this controversial debate. Christian Petersen/Getty Images

Couture, who was active in the dark days prior to the Fertittas purchasing the UFC in 2001, believes things are moving in the right direction and thinks a fighter's union is unlikely:

Can there be better pay for fighters and better benefits and retirement and a lot of other things? Yeah. I think that can always be better.

Has it gotten better? It's gotten way better. Over the course of the 15 years I fought, it's changed considerably. The fighter pay is getting better all the time. Guys are making great livings. Are they making 10, 15, 20 million a fight? No.

While Eigen agreed that fighter purses are likely to go up, he said the standard UFC contract will get worse before it gets better:

Every athlete contract I've looked at was for an athlete who was also represented by a professional association. It's the elephant in the room. That makes a huge difference because the professional association, invariably across the board, has certain minimum requirements that apply to these kinds of contracts.

If fighters don't come together to form an association or union to protect their rights, I predict that over time this contract won't get any better. It will actually degrade. Without some stopgap to prevent rights being taken away, history has taught us that's what will happen.

Epstein, of course, disagrees:

I'm not sure how much experience the professor at Northwestern University has in evaluating contracts in the fighting sports world. I've got 20-plus years of experience and I can tell you that these agreements are very standard in the combat sports industry. That they've been litigated extensively. So there's a body of jurisprudence out there that has substantiated the terms and provisions of these agreements.

That being said, we're always looking to make these agreements better and, in our view, more fighter-friendly. We've eliminated a lot of provisions over the years, like exclusive negotiation periods that athletes and their managers didn't like...We've listened to their concerns and modified these agreements.

He points out that the UFC also offers fighters up and down the card unprecedented accidental health insurance to cover training- or fight-

related injuries.

"That is something that we're extremely proud of. And it's also something that is extremely unique in the fighting sports industry whether you're talking about boxing or other MMA promoters," Epstein said. "Nobody else has ever done anything like this before. When you start talking about minimum standards, I think we've set some minimum standards that nobody else has met."

Ibarra, who was one of the first managers to negotiate a guaranteed purse for his athletes rather than the standard contract that only pays half if a fighter loses the bout, says that it will take an organized front for fighters to earn respect from the UFC and other promotions.

"Make sure you put it in big print, son. There needs to be an organization that helps to protect fighters," he said. "...If you want to work to benefit my client *and* your company, I'd be happy to hold hands with you. But there are conditions. Because my fighter is not your slave. I come from the union."

White believes the future is bright, not just for the promotion, but for everyone along for the ride:

Thirteen years ago, I called the Fertitta brothers and said, 'Hey, what do you think about this?' (They) bought the company. These guys injected millions and millions of dollars of their own money. Then, after the thing took off, we continued to reinvest in this sport, in the fighters, to grow this thing to where more and more guys are making a very good living.

We've created 70 millionaires. And we're not done. Every new thing that we do, as we continue to grow corporate sponsorship, this money is trickling down to the fighters.

The brands that sponsor the UFC are sponsoring the athletes too. As we continue to expand into all these other things, UFC Gyms to UFC Fit, to all the things that we continue to grow, the fighters are all a part of these things as they are built. We built this incredible industry, this incredible, amazing sport, and the fighters participate in everything we do.

*Read the complete [UFC fighter contract here](#). Jonathan Snowden is the author of Total MMA: Inside Ultimate Fighting. He's the lead combat sports writer for Bleacher Report. Additional reporting by MMA lead writer Jeremy Botter.*